

Message Text

PAGE 01 NATO 06772 042053Z

62

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-05 L-02 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 EB-07 COME-00 SS-15 NSC-05 OMB-01 /068 W

----- 080635

R 041800Z DEC 74

FM USMISSION NATO

TO SECSTATE WASHDC 9180

SECDEF WASHDC

INFO ALL NATO CAPITALS 4804

USCINCEUR

USCINCLANT

C O N F I D E N T I A L USNATO 6772

E.O. 11652: GDS

TAGS: MARR NATO

SUBJECT: COST SHARING FOR INFRASTRUCTURE PROGRAM, 1975-1979

REFS: A. DPC/D(74)27

B. USNATO 6733

C. USNATO 6752

D. PHONECON MILLER (ISA) - LOVELAND (USNATO), 2 DEC 74

SUMMARY: DURING INFRASTRUCTURE COMMITTEE MEETING, 3 DEC 74, ALLIED REPS FAVORED ADOPTION OF NEW ANNEXES TO REF A, REDUCING SIZE OF SPECIAL PROGRAM BY ABOUT ONE QUARTER. IN ADDITION, UK REP STATED FIRM POSITION THAT SPECIAL PROGRAM SHOULD BE MADE UP OF PROJECTS ELIGIBLE FOR NORMAL INFRASTRUCTURE FUNDING AND TURKISH REP STATED THAT TURKEY COULD NOT AGREE TO A SPECIAL PROGRAM EARMARKED QUOTE FOR THE BENEFIT OF US FORCES UNQUOTE. END SUMMARY.

1. ON 2 DEC 74, EURO-GROUP SPOKESMAN NOTIFIED US MISSION REPS THAT ALLIES CONSIDERED BASIS FOR ESTABLISHMENT OF SPECIAL PROGRAM (ANNEXES TO REF A) TO BE ERRONEOUS. ALLIES' POINT WAS THAT THEY WERE BEING GIVEN CREDIT ONLY FOR THE NON-US CONTRIBUTIONS TO THE CONFIDENTIAL

PAGE 02 NATO 06772 042053Z

SPECIAL PROGRAM AS A REDUCTION TO THE US SHARE OF THE TOTAL PROGRAM. THEY BELIEVED THAT THEY SHOULD GET SUCH CREDIT FOR THE ENTIRE SPECIAL PROGRAM. ON THE BASIS OF REF D US REPS (CAMPBELL/LOVELAND) CONFIRMED TO INFRASTRUCTURE COMMITTEE ON 3 DEC 74

US AGREEMENT THAT ORIGINAL ANNEXES TO REF A WERE INCORRECT.
 US REPS STATED, HOWEVER, THAT ALTERNATE ANNEX PROPOSED BY ALLIES
 COULD NOT BE CONSIDERED AS MEETING US REQUIREMENT FOR NO MORE
 THAN A 20 PCT US COST SHARE AND PROPOSED A NEW ALTERNATE
 WHICH WOULD MEET US REQUIREMENTS. FOLLOWING ARE THE TWO
 PROPOSALS:

NEW FORMULA PROPOSED BY NATO ALLIES

	NORMAL PROGRAM	SPECIAL PROGRAM	TOTAL PROGRAM
TOTAL	371,081	28,919	400,000
	(NOTE 1)		
NON US SHARE (72.7703 PCT)	270,037	21,044	291,081
	(NOTE 2)		
US SHARE (27.2297 PCT)	101,044	7,875	108,919
LESS	-21,044	-28,919	
	(NOTE 2)	(NOTE 1)	
NET US SHARE -	80,000	80,000	
PERCENTAGE (NORMAL)	21.56 PCT	-	
PERCENTAGE (TOTAL)	-	20 PCT	

US PROPOSAL

	NORMAL PROGRAM	SPECIAL PROGRAM	TOTAL PROGRAM
TOTAL	363,851	36,149	400,000
	(NOTE 1)		
NON US SHARE(72.7703 PCT)	264,775	26,306	291,081
	(NOTE 2)		
US SHARE (27.2297 PCT)	99,076	9,843	108,919
LESS	-26,306	-36,149	
	(NOTE 2)	(NOTE 1)	
NET US SHARE -	72,770	72,770	

CONFIDENTIAL

PAGE 03 NATO 06772 042053Z

PERCENTAGE (NORMAL)	20 PCT
PERCENTAGE (TOTAL)	18.19 PCT

NOTE 1: ALLIED SHARE OF SPECIAL PROGRAM SUBTRACTED FROM
 US SHARE OF NORMAL PROGRAM TO GIVE NET US SHARE OF NORMAL
 PROGRAM.

NOTE 2: TOTAL SPECIAL PROGRAM SUBTRACTED FROM US SHARE OF TOTAL
 PROGRAM GIVES NET US SHARE OF TOTAL PROGRAM.

2. PREDICTABLY, ALL ALLIES SUPPORTED THE FIRST OF THE ABOVE
 PROPOSALS WHICH EARMARKS THE SMALLEST PROGRAM IN SUPPORT OF
 US FORCES. THEY JUSTIFIED THEIR CHOICE BY THE NAC INSTRUCTION
 TO SUBMIT PROPOSALS QUOTE WHICH WOULD HAVE THE EFFECT OF REDUCING

THE US SHARE OF THE TOTAL INFRASTRUCTURE PROGRAM (INCLUDING ANY SUPPLEMENTARY PROGRAMS) TO 20 PCT UNQUOTE (POXURXEN C-R(74)2). THE US REP POINTED OUT DANGER OF STICKING TO LITERAL TEXT OF SYG PAPER INTERPRETING US CONGRESSIONAL REQUIREMENT. HE STATED THAT WASHINGTON GUIDANCE REQUIRED APPLICATION OF MAXIMUM US CONTRIBUTION TO NORMAL PROGRAM IN ORDER TO MAINTAIN THE PROPORTIONS WHICH HAD PERTAINED IN THE PREVIOUS FIVE-YEAR PERIOD. THE US CONGRESS WAS UNLIKELY TO ACCEPT THE ALLIED PROPOSALS OF A 20 PCT US SHARE OF THE TOTAL PROGRAM AS STATUS QUO WHEN THE RESULTANT US SHARE OF THE NORMAL PROGRAM ROSE TO 21.56 PCT. CANADIAN REP (DUNSEATH), WHO HAS BEEN EXTREMELY HELPFUL ON THIS SUBJECT FROM ITS INCEPTION, SUPPORTED ALLIED VIEWS ON BASIS THAT NEW US INTERPRETATION EFFECTIVELY DISREGARDED US CONTRIBUTION TO SPECIAL PROGRAM AS PART OF OFFSET AGAINST TOTAL US CONTRIBUTION. HIS AUTHORITIES BELIEVED THAT WOULD CONSTITUTE SPECIAL PROGRAM COMPRISED ESSENTIALLY OF NON-US CONTRIBUTIONS, A PHILOSOPHY WITH WHICH THEY COULD NOT AGREE. SINCE ALL ALLIES EXCEPT US COULD AGREE TO THE ALLIED PROPOSAL, INTERNATIONAL STAFF WILL PUBLISH NEW ANNEXES TO REF A BASED THEREON FOR CONSIDERATION BY MINISTERS. IF US CANNOT AGREE, SECDEF SHOULD BE PREPARED TO SO STATE DURING MINISTERIAL DPC SINCE PRESENT PROPOSAL IS ALLIES' QUOTE BEST OFFER UNQUOTE.

3. TURKISH REP (GELEGEN) THEN STATED THAT NEW TABLES MIGHT BE WASTE OF TIME SINCE HE HAD RECEIVED INSTRUCTIONS TO OPPOSE TURKISH CONTRIBUTION TO ANY SPECIAL PROGRAM EARMARKED FOR SINGLE NATION. HE COULD AGREE TO CEILING AS HIGH AS IAU
CONFIDENTIAL

PAGE 04 NATO 06772 042053Z

600 MILLION BUT ENTIRE PROGRAM MUST BE UNRESTRICTED TO ANY PARTICULAR NATION OR USE. SEVERAL ALLIES SUGGESTED THAT TURKS WOULD FIND THEMSELVES ISOLATED IN MINISTERIAL AND WOULD HAVE TO BACK OFF. GELEGEN AGREED TO POSSIBILITY BUT ONLY AT MINISTERIAL LEVEL.

4. UK REP (COLES) FINALLY MADE PUBLIC UK POSITION ON REQUIREMENT FOR SPECIAL PROGRAM TO CONTAIN ONLY ELIGIBLE PROJECTS. SEVERAL ALLIES AGREED TO DESIRABILITY OF UK POSITION BUT INDICATED FLEXIBLE POSITIONS ON THE BASIS THAT PROJECTS WOULD HAVE TO QUALIFY ON BASIS OF QUOTE DEFINITE NATO MILITARY INTEREST UNQUOTE. US REP, STRONGLY SUPPORTED BY CANADIAN REP, REITERATED FUTILITY OF FURTHER DISCUSSION OF SPECIAL PROGRAM IF IT WERE TO BE LIMITED TO NORMALLY ELIGIBLE PROJECTS, OF WHATEVER LOW

PRIORITY. PROJECTS MUST BE HIGH PRIORITY, CURRENTLY INELIGIBLE ONES. CHAIRMAN (SMITH) SUGGESTED THAT ELIGIBILITY QUESTION BE FINESSED AT MINISTERIAL LEVEL AND RESOLVED BY THE INFRASTRUCTURE WORKING GROUP WHICH WOULD SCREEN US LIST ON BASIS OF QUOTE NATO MILITARY INTEREST UNQUOTE, ONE OF THE BASES FOR DETERMINING ELIGIBILITY. MOST ALLIES AGREED BUT UK PERM REP REITERATED UK POSITION IN DPC AND TURKISH PERM REP MODIFIED

GELEGEN POSITION (PARA 4 ABOVE) TO AGREE WITH THAT OF UK
(REF C).

5. IN POST-MEETING DISCUSSIONS WITH US MISSION OFFICERS
DUNSEATH, COLES, AND GELEGEN INDICATED BELIEF THAT UK AND
TURKISH PROBLEMS COULD BE RESOLVED AT MINISTERIAL LEVEL IF US
COULD GO ALONG WITH ALLIED INTERPRETATION OF 20 PCT ISSUE.
FAILING AGREEMENT THEY SAW LONG HARD WINTER AND SPRING PRIOR
TO TABLING ANY NEW PROPOSALS ACCEPTABLE TO ALL.

6. MISSION RECOMMENDS SERIOUS STUDY OF ALLIED PROPOSAL TO
DETERMINE ACCEPTABILITY TO CONGRESS - INCLUDING, IF NECESSARY
CONSULTATION WITH KEY CONGRESSIONAL COMMITTEE STAFFS. IF ALLIED
PROPOSAL CANNOT BE ACCEPTED, RECOMMEND THAT SECDEF HAVE ALTERNATIVE
PROPOSAL AVAILABLE FOR MINISTERS, E.G., COMPROMISE OF NORMAL
PROGRAM IN AMOUNT OF IAU 367.5 MILLION AND SPECIAL PROGRAM
OF IAU 32.5 MILLION, RESULTING IN NET US SHARES 20.8 PCT
OF NORMAL PROGRAM AND 19.1 PCT TOTAL PROGRAM.
BRUCE
CONFIDENTIAL

PAGE 05 NATO 06772 042053Z

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 11 JUN 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATO06772
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741275/abbryyxj.tel
Line Count: 186
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. DPC/D(74)27 B. USNATO 6733 C. USNATO 6752 D. PHONECON MILLER (ISA) - LOVELAND (USNATO), 2 DEC 74
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 10 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 APR 2002 by boyleja>; APPROVED <30-Oct-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COST SHARING FOR INFRASTRUCTURE PROGRAM, 1975-1979
TAGS: MARR NATO
To: STATE
SECDEF INFO ALL NATO CAPITALS
USCINCEUR
USCINCLANT
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005